

THE JERUSALEM POST

Published at The Jerusalem Post in 1952. Postage paid daily, except on Saturday, in Jerusalem by The Jerusalem Post Limited. Registered at the G.P.O.

Publisher and Editor
GERSON AGRON
Managing Editor
TELA H. LURIA

Editorial Office and Management:
JERUSALEM: 2 Rehov HaKnesset,
P.O.B. 61, Tel Aviv 6000 (4 lines).
TEL AVIV: P.O.B. 125, Tel Aviv 6000.
HAIFA: P.O.B. 1, Rehov Kheyfetz,
P.O.B. 61, Tel Aviv 6000 (3 lines).
SUBSCRIPTIONS: Israel IL 32.000;
Foreign IL 34.000 per year.

Wednesday, January 12, 1952
Tues 8, Thurs 10, Jan 13, 14, 15, 16, 17, 18

DISCUSSION of the 1955/56 Budget occupied the Cabinet during two sittings yesterday and the one at night, after separate consultations between the BUDGET Mapai and General Zionists, respectively, lasted past midnight. The General Zionists have been pressing for a reduction of some twenty million in Mr. Eshkol's estimates of IL 633m., while the Progressives have proposed a reduction of four and a half million.

There was ground for hope last night that agreement would be reached, and that the Budget will have the support of the Parties forming the Coalition; that there might be some slight paring down of the Treasury proposals, and no demands for increases to Ministries controlled by the General Zionists. In any case, the discussion is to continue today.

Whatever the outcome, it is necessary to keep in mind all the taxes demanded from the citizens if one is to assess properly the impact of the Government budget on the economy. Its goal should be to finance the essential public services but to do this without putting normal economic activities into a strait-jacket, which can easily happen when the Government absorbs too much of available money and credit. This discourages private capital and compels the Government to add to its burdens by entering the investment field.

One of the main dangers of the present development is the tendency of the citizens to ask for Government intervention whenever something seems to go wrong. Additional demands on the Government mean either more work for officials or an increase in their number. The public may not always benefit from this tendency. It may well get used to shifting onto the Government many tasks which in a free country such as ours the citizens should do himself by way of voluntary associations. We are dangerously near the point where the good citizen will believe to have done his civic duty by paying his taxes.

What is more, there can be little doubt that a smaller administration would mean less public expense. Lower taxes would, moreover, open the possibility of private saving, at present impossible for the average citizen. This means, among other things, that there is no capital left for the development of new enterprises and the Government has to step in. This abnormal position has only been retrieved by gift monies and funds from abroad.

Finally, the talk that the General Zionists have demanded more for their Ministries while insisting on less for the others, highlights the curious political approach to the project. Who can say whether for years to come Ministries will be divided as they are now? Is wise division of public revenue possible if what is taken into account is not the work to be done but which Party is to control a given Department?

The success of the Treasury in preventing a big rise in the new budget has hidden the underlying administrative and economic problems still to be solved. They should be explored again.

THE inauguration of the Jerusalem branch of the Israel and British Commonwealth Association to take place today presents a unique opportunity for this body in each of Israel's three metropoli.

Dedicated as the Association is to fostering good relations between the people of Israel and those of the British Commonwealth, its cultural and economic relations between the two groups, the setting up of a branch in the capital is to be welcomed.

The old bitternesses of the Mandatory days have passed away but there still remains much to be done before the basic misunderstandings of the position of Israel in the British Empire are removed in certain sections of independent British public opinion, are smoothed away. The platform and opportunity for contact afforded by the Association can become a potent factor in increasing light and understanding between the two groups of distinguished Britons who represent the Rt. Hon. James Griffith, M.P., who is to address the inaugural meeting on the "British Welfare State,"

West Germany Faces Boom Year

Reparations Pale Before Arms Figures

By GEORGE LICHTHEIM

LONDON.—

EXPERTS interested in West Germany's capacity to return on top of all her other obligations — including Reparations to Israel — have had a look at the Federal Republic's economic performance in 1954 and at the corresponding prospects for 1955. What they have gathered makes them feel more certain than ever that expansion will continue despite rearmament, and at a slower pace, than that Reparations will be a flea-bite in the total German national budget.

The position can best be summed up in terms of comparison with Britain. In 1954 British industry had an unusually prosperous year: profits rose, unemployment dwindled to almost nothing, steel output increased, and fare. Last Christmas it could be claimed with truth that 1954 had been the best year since 1930. Yet, during the same year, German industrial production increased twice as fast as British output. German exports expanded proportionately four times as rapidly as exports from the U.K.; wages rose by over eight per cent, capital investment stood at the fantastic rate of 30 per cent of gross national product (almost twice the British sharply reduced, although for the last brackets they are still higher than in Britain. And there is every prospect that 1955 will see a similar, though perhaps somewhat less sensational, performance.

Confidence on Costs

Some of this, of course, due to the absence of a heavy burden or, to be more exact, to the difference between paying oceanic costs and maintaining a national army of one's own. But this difference is not so very great. At any rate, the Federal Government seems convinced that costs during the first few years will not rise much above the present level, though the Social-Democrats are more gloomy: their spokesman claims that rearmament will cost 100 billion marks between now and 1956, while the Government believes that the total will be closer to 60 billion and that the U.S. will shoulder some of the remainder. Besides, rearmament is itself a factor for industrial expansion in some fields. It certainly accounts for the financing of state of German industry's order books as 1955 opens.

Where it creates problems is in the field of resources of both capital and manpower. Despite Professor Erhard's statement that "viewed against the overall picture of German industrial activity, the financing of a few German divisions is a negligible quantity," industrialists fear that with capacity and labour reserves nearing exhaustion, controls will be necessary to prevent an inflationary wage-price spiral. The Federal Republic is now getting short of labour and it is difficult of capital. The limits will be reached all the sooner because of the requirements of the German army.

These factors point to an aspect of German post-war reality which differs from that of the United States. The Federal Republic has successfully exploited its position as the only major Western country which commands a large market, is well established, part of our orbit lying in our failure to discuss the matter with the necessary sense of proportion.

Since we have not succeeded in explaining to them that Israel's needs concern them as their interest, the situation remains pretty much as it was, and they still behave like customers who, of course, always are right and want to be courted.

In order to overcome that "gap" we will have to remember that the gap is not in our basic industry, as this is the case with the enlargement of the human weaknesses on both sides. We will then be able to offer like this to our foreign markets and to expand our exports.

Conversely, the British, who have to watch German competition in the world market, are more inclined to accept German rearmament, driven by our defense projects. It is, in fact, becoming quite fashionable in conservative German circles that "Western Powers want us to rearm."

Behind these complaints, which are not always quite serious, there is a piece of economic reality: despite its rapid comeback since 1945, Western Germany is still under-capitalized, and living standards on the whole are lower than in Britain, Belgium or France. Moreover, much of the fast economic progress has been due to the utilization of extra man-power from among the ten million refugees and refugees. By contrast, the German progress in raising individual productivity — certainly in comparison with the United Kingdom.

The latest OECD survey remarks that output per worker in Germany has risen 10 per cent since 1945, and is still higher than in the United Kingdom. Investment since World War II has provided "extraordinary" in character, providing the additional funds of new workers from the East. It has not been "intensive" in labor power, though, though it has made significant progress in labor productivity, though not as yet as far as in some cases, German industrial productivity on average is still below the British standard.

MUSICAL DIARY

ANTHONY RIGAL, Flute (N.M.C.A. Series No. 8); J. D. Bush, Chamber Fantasy and Fugue; Beethoven: Thema und Variationen op. 126; F. Waller, Concerto; Ballad of a Miller; Brahms: "In Filet di Chesse da Lin" and Arabeske No. 1 in E major; Schubert: Impromptu in C major; Liszt: Hungarian Rhapsody No. 6.

THIS young pianist has doubtlessly mastered the instrument, and his technique and chordal sense do not seem to present any difficulty to him. Yet there is little real music making behind this virtuosity. The Fantasy part of the Bach sounded more like one of the Etudes Grand'oeuvre, the melodic line being rather academic.

The Brahms Sonata was compactly rendered than its predecessor. Here, the author is to be blamed for lengthiness of speech. The Ballad sounded as it usually does in any piano recital, as did the two miniatures by Debussy.

The U.R. would have been represented by a better composer than Mr. Rigal. His Sonata has a certain technical rendering, but the players received more applause than the music.

These considerations are important in estimating the performance of the economy, though it may give pause to manufacturers. Germany can now afford some of the policies associated with an economy of abundance. The real test will probably come next year, but in 1954 when rearmament begins, the Federal Republic will then meet some of the problems which have beset Britain since the war.

Less Than Britain

Meantime, German exports, contracted sharply with the experience of the post-war British economy, which operated at full stretch from the start. Germany has been forced to take a new arcanum to boost Israel tourism. One year it was pilgrimages, then next year, festivals, now it is "Group-Travels."

The reasons for failure are now明白。It is not surprising that the reason for failure is the lack of a complete new travel system. The first experiment in group-travel I heard about was a complete and successful washout. Expensive and ineffective proposals were made, in order to bring droves of Rotarians over for the Silver Jubilee of the Jerusalem Rotary Club. No one gave a thought to the obvious fact that Rotarians are typical business leaders who would never leave their home town.

Chances are that, moreover, Rotarians are family men. An all-inclusive fare of IL 6000 a person for a trip to Israel in the winter off-season is an absurd proposition to middle-class Americans. As a result of fact, most single Rotarians from the States attended the Jerusalem Jubilee.

Rotarians' Trip

If someone could have persuaded Jerusalem's Rotarians to postpone their Jubilee celebrations till the summer of 1955 and to organize a trip from Paris to the United States, the results might have been quite different. Our travel-organizers still have not recognized that the starting point for Middle East travel is not New York, but the French Capital. Almost no one has been to offer tours to Israel from the States. This journey has to be offered as a tempting enrichment of the European Grand Tour.

Other new French aircraft unveiled last week include a light liaison plane, the Pigeon Cub and able to land almost anywhere, and a twin-engined transport plane with a cargo-carrying capacity of 4.5 tons.

With orders for the new aircraft pouring in from India, Switzerland, Brazil and Venezuela, the French aircraft industry has to wrest the second place from Britain as the biggest exporter of planes, the first being, of course, American.

jet fighter, the "Mystere," as standard equipment for NATO air forces gives France the undisputed lead in the race to put into service, as compared to prototypes, of which Britain and America have more.

Incidentally, the Germans prepare for the French "Mystere" to the American "Sabrejet" as the backbone of their new Luftwaffe, until 1958, when the first German-produced jet fighters will enter service.

Other new French aircraft unveiled last week include a light liaison plane, the Pigeon Cub and able to land almost anywhere, and a twin-engined transport plane with a cargo-carrying capacity of 4.5 tons.

With orders for the new aircraft pouring in from India, Switzerland, Brazil and Venezuela, the French aircraft industry has to wrest the second place from Britain as the biggest exporter of planes, the first being, of course, American.

jet fighter, the "Mystere," as standard equipment for NATO air forces gives France the undisputed lead in the race to put into service, as compared to prototypes, of which Britain and America have more.

Incidentally, the Germans prepare for the French "Mystere" to the American "Sabrejet" as the backbone of their new Luftwaffe, until 1958, when the first German-produced jet fighters will enter service.

Other new French aircraft unveiled last week include a light liaison plane, the Pigeon Cub and able to land almost anywhere, and a twin-engined transport plane with a cargo-carrying capacity of 4.5 tons.

With orders for the new aircraft pouring in from India, Switzerland, Brazil and Venezuela, the French aircraft industry has to wrest the second place from Britain as the biggest exporter of planes, the first being, of course, American.

jet fighter, the "Mystere," as standard equipment for NATO air forces gives France the undisputed lead in the race to put into service, as compared to prototypes, of which Britain and America have more.

Incidentally, the Germans prepare for the French "Mystere" to the American "Sabrejet" as the backbone of their new Luftwaffe, until 1958, when the first German-produced jet fighters will enter service.

Other new French aircraft unveiled last week include a light liaison plane, the Pigeon Cub and able to land almost anywhere, and a twin-engined transport plane with a cargo-carrying capacity of 4.5 tons.

With orders for the new aircraft pouring in from India, Switzerland, Brazil and Venezuela, the French aircraft industry has to wrest the second place from Britain as the biggest exporter of planes, the first being, of course, American.

jet fighter, the "Mystere," as standard equipment for NATO air forces gives France the undisputed lead in the race to put into service, as compared to prototypes, of which Britain and America have more.

Incidentally, the Germans prepare for the French "Mystere" to the American "Sabrejet" as the backbone of their new Luftwaffe, until 1958, when the first German-produced jet fighters will enter service.

Other new French aircraft unveiled last week include a light liaison plane, the Pigeon Cub and able to land almost anywhere, and a twin-engined transport plane with a cargo-carrying capacity of 4.5 tons.

With orders for the new aircraft pouring in from India, Switzerland, Brazil and Venezuela, the French aircraft industry has to wrest the second place from Britain as the biggest exporter of planes, the first being, of course, American.

jet fighter, the "Mystere," as standard equipment for NATO air forces gives France the undisputed lead in the race to put into service, as compared to prototypes, of which Britain and America have more.

Incidentally, the Germans prepare for the French "Mystere" to the American "Sabrejet" as the backbone of their new Luftwaffe, until 1958, when the first German-produced jet fighters will enter service.

Other new French aircraft unveiled last week include a light liaison plane, the Pigeon Cub and able to land almost anywhere, and a twin-engined transport plane with a cargo-carrying capacity of 4.5 tons.

With orders for the new aircraft pouring in from India, Switzerland, Brazil and Venezuela, the French aircraft industry has to wrest the second place from Britain as the biggest exporter of planes, the first being, of course, American.

jet fighter, the "Mystere," as standard equipment for NATO air forces gives France the undisputed lead in the race to put into service, as compared to prototypes, of which Britain and America have more.

Incidentally, the Germans prepare for the French "Mystere" to the American "Sabrejet" as the backbone of their new Luftwaffe, until 1958, when the first German-produced jet fighters will enter service.

Other new French aircraft unveiled last week include a light liaison plane, the Pigeon Cub and able to land almost anywhere, and a twin-engined transport plane with a cargo-carrying capacity of 4.5 tons.

With orders for the new aircraft pouring in from India, Switzerland, Brazil and Venezuela, the French aircraft industry has to wrest the second place from Britain as the biggest exporter of planes, the first being, of course, American.

jet fighter, the "Mystere," as standard equipment for NATO air forces gives France the undisputed lead in the race to put into service, as compared to prototypes, of which Britain and America have more.

Incidentally, the Germans prepare for the French "Mystere" to the American "Sabrejet" as the backbone of their new Luftwaffe, until 1958, when the first German-produced jet fighters will enter service.

Other new French aircraft unveiled last week include a light liaison plane, the Pigeon Cub and able to land almost anywhere, and a twin-engined transport plane with a cargo-carrying capacity of 4.5 tons.

With orders for the new aircraft pouring in from India, Switzerland, Brazil and Venezuela, the French aircraft industry has to wrest the second place from Britain as the biggest exporter of planes, the first being, of course, American.

jet fighter, the "Mystere," as standard equipment for NATO air forces gives France the undisputed lead in the race to put into service, as compared to prototypes, of which Britain and America have more.

Incidentally, the Germans prepare for the French "Mystere" to the American "Sabrejet" as the backbone of their new Luftwaffe, until 1958, when the first German-produced jet fighters will enter service.

Other new French aircraft unveiled last week include a light liaison plane, the Pigeon Cub and able to land almost anywhere, and a twin-engined transport plane with a cargo-carrying capacity of 4.5 tons.

With orders for the new aircraft pouring in from India, Switzerland, Brazil and Venezuela, the French aircraft industry has to wrest the second place from Britain as the biggest exporter of planes, the first being, of course, American.

jet fighter, the "Mystere," as standard equipment for NATO air forces gives France the undisputed lead in the race to put into service, as compared to prototypes, of which Britain and America have more.

Incidentally, the Germans prepare for the French "Mystere" to the American "Sabrejet" as the backbone of their new Luftwaffe, until 1958, when the first German-produced jet fighters will enter service.

Other new French aircraft unveiled last week include a light liaison plane, the Pigeon Cub and able to land almost anywhere, and a twin-engined transport plane with a cargo-carrying capacity of 4.5 tons.

With orders for the new aircraft pouring in from India, Switzerland, Brazil and Venezuela, the French aircraft industry has to wrest the second place from Britain as the biggest exporter of planes, the first being, of course, American.

jet fighter, the "Mystere," as standard equipment for NATO air forces gives France the undisputed lead in the race to put into service, as compared to prototypes, of which Britain and America have more.

Incidentally, the Germans prepare for the French "Mystere" to the American "Sabrejet" as the backbone of their new Luftwaffe, until 1958, when the first German-produced jet fighters will enter service.

Other new French aircraft unveiled last week include a light liaison plane, the Pigeon Cub and able to land almost anywhere, and a twin-engined transport plane with a cargo-carrying capacity of 4.5 tons.

With orders for the new aircraft pouring in from India, Switzerland, Brazil and Venezuela, the French aircraft industry has to wrest the second place from Britain as the biggest exporter of planes, the first being, of course, American.

jet fighter, the "Mystere," as standard equipment for NATO air forces gives France the undisputed lead in the race to put into service, as compared to prototypes, of which Britain and America have more.

Incidentally, the Germans prepare for the French "Mystere" to the American "Sabrejet" as the backbone of their new Luftwaffe, until 1958, when the first German-produced jet fighters will enter service.

Other new French aircraft unveiled last week include a light liaison plane, the Pigeon Cub and able to land almost anywhere, and a twin-engined transport plane with a cargo-carrying capacity of 4.5 tons.

With orders for the new aircraft pouring in from India, Switzerland, Brazil and Venezuela, the French aircraft industry has to wrest the second place from Britain as the biggest exporter of planes, the first being, of course, American.

jet fighter, the "Mystere," as standard equipment for NATO air forces gives France the undisputed lead in the race to put into service, as compared to prototypes, of which Britain and America have more.</